



The ADVISOR

TEACHERS, EMPLOYEES, and JUDICIAL



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SERVING OVER 329,000 MEMBERS

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As Jeff Foxworthy Says:

"You might be a redneck if..."

The Democrat-Reporter of Linden, Alabama, says:

BRONNER SHOULD KNOW BETTER

David Bronner should know better but he proved he doesn't. He printed in "Advisor" that the state of Alabama charges poor people sales taxes on food. Bronner, apparently, is kissing Paul Hubbert, AEA chief, on the sly. His publication reflects Paul Hubbert's political philosophy – grab all the votes you can no matter what the cost because we are going to raise everybody's taxes like good Democrats.

He also prints that Alabama gets very little from property tax. He claims the legislature doesn't have the courage to fix it. We can say the legislature doesn't have the courage to fix education in Alabama, either. The legislature is full of uneducated people. So there!

If the legislature doesn't know what education is. How can it fix it?

David dum-dum Bronner knows bookkeeping and what Hubbert has taught him about politics. He must want to look good in Hubbert's eyes because his publication for state employees, teachers, police, and others doesn't research anything. The editor just takes what is dictated and prints it.

We expect Bronner to join Hubbert in covert operations to fund gambling bills in the legislature.

The big dailies in the state are owned by foreigners. So are the television stations. We are fed mentally what the socialists and communists want us to hear and read.

(Editor's note: I guess RSA members are foreigners because we own four television stations in Alabama.) ■

GOLF & TRAVEL

The Santa Ynez, California, Valley Journal
By Ray Navis, Contributing Writer

There are now many collections of golf courses calling themselves a "Trail." The original Trail is the Robert Trent Jones (RTJ) Golf Trail in Alabama. With 11 different sites and 468 holes of golf, these massive sites average more than 1,000 acres each and run the length of the state. There is so much golf here that it may require two visits. We shall start in the South and work our way North first.

"Golf & Travel" continued on page 3

Kick the Can

By David G. Bronner

If your desire is for a better Alabama, it is difficult to be happy about the current year's state budgets, much less the newly approved budgets starting on October 1, 2010, and ending September 30, 2011. As usual, every short-term trick in the book was used for the new budgets to kick the can down the road without really solving any long-term problems.

I believe that unless the world changes dramatically, the next governor and legislature will deal with much larger financial problems next year! There were two items

that helped the new budgets that will not be around for the 2012 budgets. First, there was \$600 million in "onetime" funds for education. Secondly, our pension and health care costs were level funded for next year's budgets but cannot be for 2012.



The General Fund (everything but education) monies are so tight that funded agencies like the State Court System, Alabama Forestry Commission, and Pardons and Paroles are in the intensive care unit.

In addition, everything must go right from the national economy to you-name-it for us to skate through this recession without major disruptions to state services.

Despite Alabama's financial predicament, numerous other states have even bigger problems. California, Illinois, Michigan, and other states are facing severe financial crises. Sometime in the next seven to ten months, Alabamians will have to choose to move forward and continue the unbelievable success of the last 15 years or choose to revert back to our antiquated past. Choose wisely because Alabama will not prosper by continuing to tax ourselves the lowest in the nation. ■



The Perils of Pay Less, Get More

By David Leonhardt, *The New York Times*

As a society gets richer, its tax rates tend to rise.

This idea is known as Wagner's Law, named for the 19th-century economist who came up with it. Citizens of richer societies generally prefer more government services, Adolf Wagner explained. With their basic needs met, they want a military to protect them, good schools for their children, comfortable retirement for the elderly, medical care even when it isn't profitable and a strong social safety net. Sure enough, the United States followed this path for most of the last century. In 1900, federal taxes amounted to just 2 percent of gross domestic product. By 2000, the share had risen to 21 percent.

Over the last couple of decades, though, we have repealed Wagner's Law — or, more to the point, only partly repealed it. Taxes are no longer rising. They fell to 18 percent of G.D.P. in 2008 and, because of the recession, to a 60-year low of 15.1 percent in 2009.

Yet our desire for government services just keeps growing. We added a prescription drug benefit to Medicare. Farm subsidies are sacrosanct. Social Security is the third rail of politics.

This disconnect is, far and away, the main reason for our huge budget problems. Yes, the wars in Iraq and Afghanistan, the recession and the stimulus have all added to the deficit. But they are minor issues in the long run. By 2020, government spending is projected to equal 26 percent (and rising) of G.D.P., mostly because of Medicare and Social Security. Taxes are on pace to equal just 19 percent.

...What needs to happen? Spending will need to be cut, *and* taxes will need to rise. They won't need to rise just on households making more than \$250,000, as Mr. Obama has suggested. They will probably need to rise on your household, however much you make.

A solution that relied only on spending cuts would dismantle some bedrock parts of modern American society. Paul Ryan, the ranking Republican on the House Budget Committee, recently released such a plan, and it got rid of Medicare for everyone now under 55.

A solution that relied only on taxes would muzzle economic growth. To cover the costs of future spending — the retirement of the baby boomers and everything else — federal taxes would have to rise by almost 50 percent, immediately and permanently, according to a recent analysis by the economists Alan Auerbach and William Gale.

A solution that combined spending cuts and tax increases would not need to be ruinous — or start in the next couple of years, when unemployment is likely to remain high. But the federal government does have a decent amount of fat in it. And, just as Wagner pointed out, tax increases are not inherently bad. Done right, they do not even have to reduce economic growth by much.

In recent years, economic research has suggested that moderate changes in the tax law don't actually have a huge impact on growth. You don't need econometrics to grasp this, either. Just look at the last 20 years. Economic growth after Bill Clinton's tax increases was far more rapid than economic growth after George W. Bush's tax cuts. Despite the Bush tax cuts, average annual growth over the last decade — even before the Great Recession began — was slower than in any decade since World War II.

The biggest hurdle to solving the deficit problem will be politics, not eco-

nomics. Even if the tax increases and spending cuts don't need to be ruinous, they will not be popular. None of us like the idea of losing benefits or paying more taxes. That's why Mr. Obama and Congress have outsourced the first stage of the process to a commission.

...The ideal way to raise taxes for everyone else is not through the income tax code — which can affect people's incentive to work — but through another means. As Victoria Perry of the International Monetary Fund points out, every industrialized country in the world except Saudi Arabia and the United States has some kind of consumption tax. A modest consumption tax would give households more incentive to save and could raise significant revenue. Another option is to reduce some big deductions, like the one for mortgage interest.

I'll confess that I have a hard time seeing how any of this will happen in the next few years, no matter what the deficit commission recommends. Congressional Republicans have shown little willingness to consider any tax increases, and Mr. Obama has shown no indication of breaking his \$250,000-and-under pledge. We voters, meanwhile, tend to oppose government spending in general while supporting the government programs that the spending pays for. . . . ■

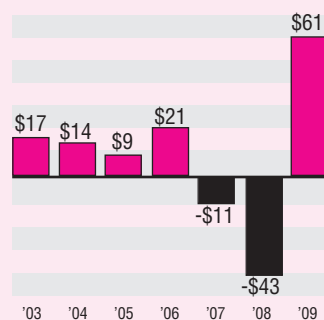
The Wall Street Bailout

A disproportionate amount of government assistance went to New York banks," says economist Marisa Di Natale of Moody's Economy.com. "This is the result."

In all, the government has deployed a whopping \$2.8 trillion to reserve the nation's financial institutions, according to brokerage firm Keefe, Bruyette & Woods. More than \$1 trillion went to New York banks and insurers via bailouts, loans and guarantees. Even accounting rules were tweaked last year after heavy pressure from lawmakers, so that banks could avoid recognizing losses on their worst loans and investments. Most importantly, the Federal Reserve slashed interest rates to essentially zero. ■

RECORD RICHES

Profits/losses for NYSE member firms, in billions of dollars



SOURCE: NEW YORK STOCK EXCHANGE

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New Features on the Web!

*Members can now view ERS, TRS, and
RSA-1 statements online*

RSA members and beneficiary recipients can now log on to Member Online Services, or MOS, to view their personal account information anytime. Separate from our Web site, MOS provides a secure environment for accessing sensitive information and making changes to information such as your mailing address. Simply go to our Web site at www.rsa-al.gov and click on the Member Online Services button on the left side. To log in, you will first need to register.

To protect your identity and account information, registration requires you to use your personal identification number, or PID. If you do not know your eight-digit PID number, you can request a PID letter to be sent to you by clicking the "Request a PID Letter" link on the registration page. For TRS members with PEEHIP insurance, your PID is the last eight digits of your contract number on your insurance card (exclude the leading zero).

Active members and beneficiary recipients can:

- View and change contact information
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If you have any questions about MOS, please contact RSA Member Services at 877.517.0020 or email servicedesk@rsa-al.gov.

"Golf & Travel"

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The South

Lakewood Golf Club in Point Clear is the southernmost venue and well worth a visit. Located just down Mobile Bay from the artsy town of Fairhope, this is the only private club on the Trail. However, if you stay at the bayside Grand Hotel Marriott Resort, you have full access to both the Azalea and Dogwood courses. If you are a Civil War buff, you will be interested to know that The Grand Hotel served as a military hospital for the South during the War Between the States. There is also a Confederate Cemetery just to the left of the 18th hole on the Azalea Course.

Across the causeway in Mobile is the next Trail site at Magnolia Grove. This is the site of the LPGA Micro Bell Tournament to be played in May. Magnolia Grove has 54 holes including two championship 18-hole layouts and an 18-hole, par-three course. To give you an idea of the quality of golf even the par-three course is quite a challenge. They actually play many charity events on this course, which has many holes that can play more than 200 yards with plenty of water. The best place to stay for this stop would be the Battle House Renaissance

Mobile Hotel and Spa. This historic site has been completely renovated and is very upscale.

Highland Oaks in Dothan would be the next site moving north, but it is a bit out of the way for most traveling golfers. However, Cambrian Ridge in Greenville is about two hours north of Mobile on the way to Montgomery. This site sits about 4 miles back, off the interstate, and what a site it is. As with all Trail sites, Cambrian Ridge sits on a large piece of property close to 1,000 acres. The elevated clubhouse gives a great view of the great forest that these holes were cut from. Cambrian Ridge was immortalized in the 2003 Microsoft Golf game Links and got a lot of national attention at that time.

Montgomery to Auburn

Capitol Hill is the Trail site in Montgomery. It is located in Prattville, just a 10-minute drive to the north. Capitol Hill is home to three championship layouts set on more than 1,500 acres. The Judge, The Legislator, and The Senator layouts are all unique and cross lakes, dunes and native brush. As with all Trail sites, there are no homes dotting the fairways – just you and nature. There is a very comfortable Marriott Prattville Hotel and Conference Center on site as well as the Renaissance Montgomery Hotel and Spa in the nearby Capital.

From there, you will want to head northeast toward the college town of Auburn. Grand National in Opelika is perhaps the most scenic of all the Trail sites, and that is saying a lot. The clubhouse sits on a hill overlooking 600-acre Lake Saugahatchee, which dominates the site. An unbelievable 32 of the 54 holes here run along its natural shores. The Auburn Marriott Opelika is on site and the best bet here for lodging.

What we have covered so far could easily take a week for most. I would suggest spending two days at most sites. The scenery is so breathtaking – especially at Cambrian Ridge, Capitol Hill and Grand National – that you may just want to relax and take it all in. In Mobile and Point Clear you will also want to allow some time for sightseeing to enjoy Mobile Bay and even The Gulf.

The RTJ Golf Trail is the creation of Dr. David Bronner who heads up the Retirement Systems of Alabama. His vision was to create a lasting benefit for Alabama that would attract visitors and businesses, while also providing a great recreation option for residents as well. One look from the clubhouse at Cambrian Ridge or Grand National will tell you he has succeeded in a way that will last for generations to come. For more information, visit www.rtjgolf.com. ■

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**The Battle House,
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Marriott Grand – RSA Golf Package – \$169

Ask for code – LOCD

Includes: Deluxe Room, One Round of Golf for Two People.
Call for Tee Times after booking package

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Marriott Shoals – Florence – \$89

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Prattville Marriott – \$89

- May 4, 6-10, 12-13, 16-17, 21-31
- June 1-6, 13-17, 19-21, 27-30
- July 1-8, 11-25, 30-31

Renaissance Montgomery – \$99

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ERS Board of Control Election

Ballots for the Employees' Retirement System (ERS) Board of Control election will be mailed by May 15, 2010, and must be returned to VR Election Services no later than 4:00 p.m., June 15, 2010. This election is for the Active Local Employee Position No. 1, and the Active State Employee Position No. 1.

In the past, the election for the Active State Employee Position was conducted by the State Comptroller's Office. Beginning with this election, active state employees will receive a ballot in the mail from VR Election Services. Members will be able to vote for their respective positions by mail, phone, or the internet. Instructions will be included with the ballot.

Candidates Sought for Two TRS Board Positions

Candidates are now being sought for two Teachers' Retirement System (TRS) Board of Control positions. The two positions, Superintendent Position and Retired Position No. 2, will be filled in a statewide election that will take place this October. Elected members will begin their three-year term of service on July 1, 2011. Luke Hallmark currently holds the Superintendent Position and Sallie Cook holds the Retired Position No. 2.

If you are eligible and interested in running for either of the above positions, nomination packets are available on our Web site at www.rsa-al.gov or contact the Elections Coordinator at 877.517.0020.



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